

RECORDATION NO 21357 FILED

APR 28 '98

3-55 PM

NorRail®, Inc.

Buying, Selling, Leasing

And Management of Railcars

308 12th Avenue South, Buffalo, Minnesota 55313 • Phone: (612) 557-0215 • Fax: (612) 682-2452

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K. Street NW, Suite 700
Washington, D.C. 20423

April 14, 1998

RECORDATION NO 21358 FILED

APR 28 '98

3-55 PM

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two originals of Memorandum of Railcar Lease Agreement dated as of October 31, 1997, a primary document as defined in the Board's Rules for Recordation of Documents.

The names and addresses of the parties to the enclosed documents are:

Lessor: NorRail, Inc.
308 - 12th Avenue South
Buffalo, MN 55313
Phone: 612-557-0215

Lessee: Koch Fisher Mills, LLC
3235 - 16th Avenue
Seattle, WA 98134
Phone: 800-426-0101

RECEIVED
SURFACE TRANSPORTATION
BOARD

APR 28 3 55 PM '98

The Memorandum of Railcar Lease Agreement covers five (5) 5650 Cu.Ft. Pressure Differential Covered Hoppers with reporting marks and numbers NRLX056050 through NRLX056054 as identified on Exhibit A-1 to Memorandum of Railcar Lease Agreement, and five (5) 5650 Cu.Ft. Pressure Differential Covered Hoppers with reporting marks and numbers NRLX056055 through NRLX056059 as identified on Exhibit A-2 to Memorandum of Railcar Lease Agreement. Enclosed is our check in the amount of \$48.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one stamped copy of the enclosed document to the undersigned. If you have any questions or require any further information in connection with this filing, please contact the undersigned at 612-557-0215.

Very truly yours,

Bradley C. Gunstad
Vice President & General Counsel
Enclosures

FORMS/STB

MEMORANDUM OF RAILCAR LEASE AGREEMENT

RECORDATION NO. 21357 FILED

APR 28 '98

3-55 PM

THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT is made and entered into as of January 30th, 1998 by and between NorRail, Inc., a Minnesota Corporation ("Lessor") and Koch Fisher Mills, LLC, a Washington Corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor various railcars pursuant to one or more Schedules to the Lease to be entered into by Lessor and Lessee from time to time, all as more particularly described in that certain Rail Car Lease Agreement No. 1747 dated September 29, 1997 between Lessor and Lessee (hereinafter referred to as the "Lease").
2. Pursuant to Schedule No. 2 to the Lease, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor the five (5) 5650 P.D. Covered Hopper Railcars bearing the reporting marks and road numbers indicated on Exhibit A hereto, all as more particularly described in the Lease.
3. The Lease shall be effective as of the execution date thereof and shall be subject to the term of the Lease, as provided therein.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Railcar Lease Agreement to be executed as of the date first above written.

LESSOR: NORRAIL, INC.

By: [Signature]

Its: V.P. Sales

By: [Signature]

Its: V. A. General Counsel

LESSEE: KOCH FISHER MILLS, LLC

By: [Signature]

Its: Vice President, Logistics

By: _____

Its: _____

**Exhibit A-1 to
Memorandum of Railcar Lease Agreement**

NRLX056050

NRLX056051

NRLX056052

NRLX056053

NRLX056054

STATE OF WASHINGTON, COUNTY OF King TO WIT:

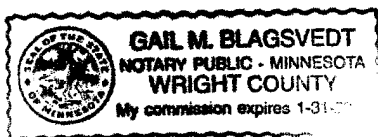
On this 30th day of January, 1998 before me personally appeared, Ronald H. Osborne and _____, to me personally known, who being by me duly sworn, says that they are the V.P. of Logistics and _____, respectively of Koch Fisher Mills, LLC, a Washington Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sherrill L. Roberts
Notary Public

My commission expires: 9/22/2000

STATE OF MINNESOTA, COUNTY OF WRIGHT TO WIT:

On this 30th day of January, 1998 before me personally appeared, Lee Spudis and Bradley C. Hunted, to me personally known, who being by me duly sworn, says that they are the VP Sales and VP Gen. Counsel, respectively of NorRail, Inc., a Minnesota Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Gail M. Blagsvedt
Notary Public

My commission expires: 1-31-2000